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ABSTRACT

A summary report of an 18-month study of patterns of allocation of federal aid to education is presented. The scope of the study covers two areas: (1) The Fiscal Context of Urban Education, and (2) The Pattern of Allocation of Federal Aid to Education. The data, analyses, and conclusions of the report are presented in three chapters. Chapter I gives an overview of the study; Chapter II describes the urban fiscal context in which federal aid is operative; and Chapter III reviews the historical development of federal aid to education and sets forth the findings and conclusions as to the impact of federal aid. Major findings reported are: (1) in most urbanized areas, there is a crisis in educational finance, yet school districts in rural areas received more federal aid per pupil; (2) there was no compensatory relationship between federal aid and assessed property valuation; (3) because of the impact of Title I, districts with lower income and higher proportions of nonwhite pupils received more aid than those with lower proportions; (4) amounts of aid received varied markedly and erratically in individual school districts; (5) the failure to concentrate funds on most needy students has resulted in fragmented programs or new equipment; and (6) amounts of aid are too small in view of the existing problems. Three appendixes are included. These describe shortcomings in present information systems; give a more detailed description of methodology of the study; and present a series of statistical tables. (DB)

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FOREWORD

Among the major issues facing this nation in the years ahead is how adequately and effectively we will use our resources to meet the social and human needs of our society and of our people. Even as we approach the 200th anniversary of our independence, poverty, hunger, substandard housing, inadequate health care, poor education, prejudice and discrimination are pervasive problems plaguing every region of the country.

One of the chief problems confronting public education is the need for greater financial resources. Although many small cities and rural counties face grave problems with regard to supporting public education, the financial crisis in urban areas is particularly acute.

As the Select Committee has delved into the problems related to equal educational opportunity, the economics of public education has clearly arisen as a critical factor. Not only do we need to find new ways to finance public education, we must also explore ways to use existing funds more wisely. We must know more about how money is being presently spent, in what areas and what effects and impact these investments are having in terms of educational outcome for students.

Federal Aid to Public Education: Who Benefits? is a study which addresses itself to just these questions. The study, which was prepared by the Policy Institute of the Syracuse University Research Corporation and the Maxwell Graduate School of Citizenship and Public Affairs of Syracuse University, under the direction of Stephen K. Bailey, Alan K. Campbell, Joel S. Berke and Seymour Sacks, examines the effect of federal dollars for education in five industrialized states and raises important questions about the way we finance our public schools. This study is reproduced here because it has important implications for all of us who are concerned and committed to the prospect of achieving equal educational opportunity for all of America's children.

WALTER F. MONDALE,
Chairman, Select Committee on Equal Educational Opportunity.

FEDERAL AID TO PUBLIC EDUCATION:

WHO BENEFITS?

by

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January 31, 1971

A Project Conducted by
THE POLICY INSTITUTE OF THE SYRACUSE UNIVERSITY RESEARCH CORPORATION
and
THE MAXWELL GRADUATE SCHOOL OF CITIZENSHIP AND PUBLIC AFFAIRS
SYRACUSE UNIVERSITY
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Preface

This study had its origins in the winter of 1968-69 when John W. Gardner, then Chairman of the National Urban Coalition, began to speculate on the degree to which federal education programs were assisting school systems in the urban areas of the nation. As he sought an answer to this question, he rapidly became aware that information was simply unavailable on who was benefiting from federal educational support. At his urging, his deputy, James A. Kelly, began discussions with Stephen K. Bailey, Chairman of the Policy Institute of the Syracuse University Research Corporation and Alan K. Campbell, Dean of the Maxwell Graduate School of Citizenship and Public Affairs of Syracuse University. Together they approached the Ford Foundation for a grant to launch a substantial study of federal aid to education.

The purposes of that study were three: first to determine the patterns of allocation of aid, i.e. who was benefiting, second to study the decision-making processes that determined those patterns of distribution, and third to recommend changes in aid formulas and administrative practices that would assure that federal aid to education went where it was most badly needed. In June of 1969 the project was funded by the Ford Foundation, and researchers went into the field to begin the task of assembling data on the pattern of allocation of federal aid to education.

While this is the project's first report on the patterns

of allocation of federal aid, earlier versions of our study of the fiscal problems facing urban schools (Chapter II of this report) have appeared in two places: "The Financial Crisis of the Urban Schools" in Riles, Wilson C. The Urban Education Task Force Report, New York: Praeger Publishers, 1970 and "The Impact of Present Patterns of Funding Education for Urban Schools" in A Time For Priorities: Financing the Schools for the 70's, Washington, D. C. National Education Association, 1970.

In the eighteen months that this project has been underway, the authors have accumulated an impressive debt of gratitude. To some extent, the list of research staff that follows this preface is an attempt to recognize the assistance we have received. But there are people mentioned there who deserve special acknowledgment and others whose names do not appear at all.

In every state capital that we visited there are officials from the Superintendents of Instruction to clerks in the financial bureaus who gave us strategic help in locating the information we needed. In particular, the cooperation of John Polley of the New York State Department of Education must be acknowledged. At the U. S. Office of Education Carol Hobson of the National Center for Educational Statistics was most cordial and helpful. Eugene McLoone, formerly of the U. S. Office of Education and the National Education Association and now of the University of Maryland provided invaluable insight into the potential and problems in educational finance data. John Callahan formerly with the Maxwell

School and now with the Advisory Commission on Intergovernmental Relations provided indispensable help in assembling materials on which chapter two is based. Donna Shalala of CUNY helped with the analysis and preparation of the first draft of the report.

Several members of our own staff gave their time and their energies much more generously than we had any right to expect. Bill Wilken colated and programmed data, developed tables, and conducted statistical analyses from September 1969 until May of 1970. To our colleagues who assisted in the final weeks of manuscript preparation -- criticizing both the substance and the style of our early efforts and helping with all details of publication -- we are especially indebted. They are Robert Goettel, Paul Irwin, Jerry Calderone, Susan Van Wiggeren, and our editor Dorothy Sickels. To Pat Iacuone who patiently and accurately typed the hundreds of pages of intricate tables in the Statistical Workbook, we are indeed appreciative. Most of all, our thanks go to Kathleen Kennedy, project secretary, who relieved us of a substantial share of the administrative load connected with the project and typed succeeding drafts of this report with neverfailing good humor.

Without the help of the people named above and on the following page, this report could not have been completed. The authors, however, assume full responsibility for the accuracy of the data and the soundness of the analysis that follows.

Syracuse, New York
January 1971

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CHAPTER I

INTRODUCTION

Federal aid to education has probably stimulated more controversy per dollar than has any other domestic aid program. Over its long history, debates over federal support for education have pinched the most sensitive nerves of the American body politic, the nerves of religion, race, and states rights. Frequently, those debates have been couched in terms of educational finance.

As this is written, the issue of religion is surfacing once again as financially imperiled parochial school systems search for sources of additional financial support. Debates over the effects of race and federalism on education currently rage at even greater intensity, raising questions about the appropriate mix of national goals and state-local prerogatives. Specifically, the discussion often turns to the question of general (block) grants versus categorical educational aid. Increasingly, too, both the objectives and effectiveness of federal revenue support for education are coming under profound and critical scrutiny. These include education of children of low-income families, general aid for school districts "impacted" by federal facilities and by children of federal employees, support for upgrading curriculum offerings, guidance services, library materials, and vocational education. New national priorities, such as assistance to hard pressed urban education systems, are emerging

(1)

to compete with established policies. Through congressional debates and hearings, executive branch meetings and task forces, Presidential vetoes, messages, and commissions, the goals of the federal government in education are being actively and explicitly re-evaluated.

Unfortunately, these debates and discussions are handicapped by critical gaps in knowledge. At present there is a deplorable paucity of useful information available to anyone -- public official, researcher, educator, or interested citizen -- who seeks to understand the fiscal impact of the federal contribution to educational finance.

The frustration of a recent panel of academic experts and top education officials, the Urban Education Task Force of the Department of Health, Education, and Welfare is symptomatic: "The difficulties encountered by the committee and others in focusing attention on the aggregate impact of federal aid on a particular type of local district, say urban districts, underscores the presently fragmented patterns of thinking about federal aid to education. Federal policy toward a particular district is primarily a function of the relative distribution of federal dollars; today, we discuss future policy without really knowing what present policy is."*

Our report presents a systematic evaluation of the role that federal funds are playing in the total local-state-federal complex of educational finance. The basic issue for investigation is this: what is the impact of federal aid to education on the finances of elementary

*See Appendix A for a fuller discussion.

and secondary schools? More specifically, we sought answers to these questions:

Are there distinctive problems of educational finance in urban areas?*

Is there a bias in aid that favors central city, suburban, or rural areas?

Does that bias, if any, differ among various aid programs?

Are school districts with lower capacities to finance education being aided more or less than richer districts?

Are districts with greater and more expensive educational needs receiving more federal aid than those whose needs are less severe?

What has been the trend over the last few years in the distribution of federal aid?

What outstanding administrative problems dilute the impact of federal programs?

And most important of all, is federal assistance consistent with the problems facing public education?

Our conclusions based on those questions are found in the text, the tables, and appendices of the following chapters of this report. It may be useful, however, to indicate at this point some of

*A note on terminology: The terms "urban" or "urbanized" are used to refer to cities and older, more densely populated suburbs that have many characteristics in common with central cities. The term "metropolitan" refers to a Standard Metropolitan Statistical Area (SMSA) as defined by the Census Bureau. We use the term "central city" (CC) to denote the core city of SMSA. "Outside central city" (OCC), "outlying areas," and "suburbs" all refer to the remainder of the SMSA. We designate all areas outside SMSAs as "non-metropolitan" or "rural."

our major findings.

First, in the most urbanized areas of the nation we found a unique crisis in educational finance caused by a general deterioration in their fiscal situation combined with higher demands and costs -- for education and other public services -- than exist in neighboring communities. Yet the school districts that received the most federal aid per pupil were not in urban but in rural areas. Within the metropolitan areas central cities received proportionately more total federal assistance than their suburbs, but the amounts received were far too small to make up for the suburban advantage in local wealth and state assistance. Patterns of individual programs, however, varied immensely and often defied consistent explanation. In a number of important cases, however, as in ESEA II and III, Vocational Education, and NDEA III (described on pages 10 and 11), major cities have received even less aid than should have been allotted to them in view of their proportion of the state's student population.

Second, with regard to the relationship of federal aid to district capacity to support education, we found that there was no important compensating effect. While districts with lower income tended to get slightly more aid on the whole than those with higher income, there was no such compensatory relationship with assessed property valuation, the most common source of revenue for local school support.

Third, one important measure of educational need is the proportion of poor and minority group pupils in a district. Here, because of the impact of Title I (see page 10), we found that federal

aid is significantly related to educational need. Districts with lower income and higher proportions of non-white pupils received more aid than those with lower proportions of such pupils. Unfortunately, the magnitude of assistance was meager in proportion to the immensely costly task of education for the poor and culturally deprived.

Fourth, over the four-year period of our study, amounts of aid received by individual school districts varied markedly and erratically. Furthermore, during the last year studied, almost half of the districts in metropolitan areas reported an actual decrease in per pupil amounts of aid.

Fifth, although questions of program administration and design are a part of a later phase of this study, we did think it useful to comment on some outstanding problems at this point. ESEA money, for example, has largely gone for a variety of special and ancillary programs and has not been utilized to improve the central portion of the curriculum presented to disadvantaged children. The failure to concentrate funds on the students most in need of compensatory education has frequently resulted in a superficial veneer of fragmented programs or new equipment, rather than in an integrated, high impact intervention to achieve major educational change. Dilution of the impact of federal aid has also come about through the improper but widespread use of Title I as general aid for system-wide purposes.

Sixth and last, federal aid is intended to provide strategically useful funds for educational purposes not otherwise receiving adequate support. Our study suggests, however, that the amounts of aid are simply too small in view of the problems that con-

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front public education. At present, for the nation as a whole, federal aid constitutes less than 7 percent of public elementary and secondary school revenues. For the five industrialized states of our study (California, New York, Michigan, Massachusetts, and Texas), the proportions ranged from little over 3 percent in New York to 10 percent in Texas. In per pupil absolute terms, federal aid averaged between $22 and $50 per pupil in those same states. Given our findings on the threatening fiscal crisis facing urban education, these amounts are patently insufficient to overcome the financial problems of the urban public schools.

The data, analyses, and conclusions of this report are contained in three chapters. This chapter gives an overview of the study. The second describes the urban fiscal context in which federal aid is operative. The third chapter reviews the historical development of federal aid to education and sets forth the findings and conclusions we have drawn as to the impact of federal aid. Appendices to this report describe: (A) the shortcomings in present information systems relating to federal aid and educational finance, (B) a more detailed description of the methodology of the study, and (C) a series of statistical tables which were drawn on in developing this summary report.

In addition to its analyses and conclusions, then, the report and its appendices present a body of organized data on federal educational revenues and on the fiscal, social, and economic character of school districts that will enable other interested persons to make their own interpretations.

Scope of the Study

Two related but separate research techniques have been utilized in this study. First, to analyze the fiscal context of urban education, we have sought to relate the financing of education to general trends in population movement, business conditions, and governmental finances in thirty-seven large metropolitan areas. Second, in order to assess the impact of federal aid to education, we have conducted an intensive investigation of the distribution of federal aid to a large sample of school districts in five industrialized states.

A. The Fiscal Context of Urban Education

Emphasis in this analysis is placed on the social, economic, and fiscal disparities found between central cities and their surrounding suburban areas in the nation's thirty-seven largest Standard Metropolitan Statistical Areas (SMSAs). The magnitude of these disparities indicates that cities and their suburban rings face very different fiscal problems and have very different capacities to deal with their problems.

Unfortunately, an analysis that focuses upon the relationship of educational to social, economic, and non-educational fiscal developments in a sample as extensive as the thirty-seven largest SMSA's cannot at the same time discuss individual suburban communities and their schools. The noncoterminality of suburban systems of school and non-school government complicates comparisons. There are even difficulties in the case of large cities. Only in

states where school districts are coterminous with individual municipal areas (i.e., primarily the New England states) can fiscal comparisons be made between central city and individual suburban governments. Therefore, the study aggregates the entire suburban component of individual metropolitan areas and compares that suburban component to its core city.

Much of the data drawn upon for this analysis was taken from published and unpublished materials of the 1967 Census of Governments. Population estimates were based on interim Census and Rand McNally estimates. Personal income data were allocated to cities and suburbs on information from Sales Management and Survey of Current Business.

Since there are usually a number of governments overlying the central cities in the thirty-seven largest SMSAs, finances had to be allocated between the cities and their suburbs by relative population or tax collections, as appropriate. In the case of allocating overlying governmental revenues, central city finance reports from the cities in question were examined to determine the amounts of taxes collected within the city by these overlying governments.

B. The Pattern of Allocation of Federal Aid to Education

Research on the allocation of federal aid to education was conducted by examining 573 school districts located in the five urbanized states. The sample was designed to insure that all larger school systems were included in its coverage. It contains better

than half the pupils in the five states. Our data and conclusions, therefore, are primarily applicable to the cities, suburbs, and rural portions of these industrialized, largely metropolitan, states where more than two-thirds of the nation reside. Although our primary interest is in those metropolitan areas, sufficient diversity exists in our sample school districts to draw some conclusions about the impact of federal aid in non-metropolitan areas as well.

Special emphasis in our report is placed upon states as units of analysis. Most similar studies of national policy base their analyses on samples constructed as microcosms of the nation, giving attention to regional representativeness, but seldom seeking to include sub-samples accurately representative of constituent states. Our concern, however, is with studying the units that make decisions on the allocation of federal aid to school districts. Since the federal statutes, regulations, and administrative practices place major responsibility on state education departments for making those allocations, states are obvious units for such a study. Furthermore, since we are interested in the interrelationship of local, state, and federal finance, our analysis must contain units representative of these different systems of educational support. Since states take distinctive approaches to raising and distributing revenues for their public schools, it is appropriate to select states as analytical units for that reason as well.

The study reports on a four-year period, beginning with

the 1965 fiscal year and continuing through the 1968 fiscal year. The starting point provides a baseline just prior to the large increase in federal education spending that came with the implementation of the Elementary and Secondary Education Act of 1965. The use of the three succeeding years permits us largely to overcome interpretive difficulties caused by the unevenness and bunching of federal fiscal flow in any one year, and allows us to see trends over time. It is worth noting, too, that changes in the levels and purposes of federal appropriations for elementary and secondary education have been minor in the two fiscal years that have followed those studied, so that our data and conclusions remain characteristic of the present system of federal aid to education.

All federal aid for elementary and secondary education reported by the school districts in our sample were included in the analysis. Eight major programs of aid were examined individually. They represent more than 80 percent of total federal revenues for elementary and secondary education, and more than 95 percent of such revenues actually going to school districts. (Headstart and other OEO programs, which account for an additional 15 percent of federal revenue for elementary and secondary education, are often channeled through poverty agencies.) The remaining 4 percent consists of federal funds usually reported in a residual or miscellaneous category by local districts.

The eight major programs are:

(1) Title I of the Elementary and Secondary Education Act of 1965 (ESEA), financial assistance to local educational agencies for the education of children of low-income families;

(2) Title II of ESEA, school library resources, textbooks, and other instructional materials;

(3) Title III of ESEA, supplementary educational centers and services;

(4) Title III of the National Defense Education Act of 1958 (NDEA), financial assistance for strengthening instruction in science, mathematics, modern foreign languages, and other critical subjects;

(5) Title V-A of NDEA, guidance, counseling, and testing;

(6) Vocational Education (aid for vocational education from all federal programs);

(7) School Lunch and Milk Program; and

(8) School Assistance in Federally Affected Areas, including Public Law 874 (general aid to offset increased school costs related to federal employees) and Public Law 815 (school construction money for similar purposes).

Our original intention had been to trace payments to school districts from each federal program providing assistance for elementary and secondary education. Initial conferences with state and federal officials and surveys of fund reporting, however, quickly demonstrated that information was unavailable on many of the smaller programs -- at least by any research techniques that could be undertaken within reasonable time and expense limits. Allotments to states could be found, but the receipts by school districts were lumped together -- and therefore lost individually -- in such categories as "all other" or "miscellaneous outside revenues."

Some important programs proved impossible to trace to the district level within acceptable ranges of accuracy and effort. Headstart expenditures, for example, were often allotted to prime contractors by the Office of Economic Opportunity, and then sub-

contracted. The final point of expenditure often went unreported, so that actual time periods and expenditures could not be ascertained with sufficient precision for our purposes. In addition, Headstart amounts expended by public school authorities were frequently but a small proportion of Headstart monies being expended within the school districts. It seemed necessary, therefore, to omit expenditures for Headstart from our study.

One final word of caution should be stated for those who have not had experience with educational finance data. Despite rigorous efforts and substantial resources, we experienced enormous difficulty collecting and comparing data, even for jurisdictions as large as school districts. In our survey differences in reporting among districts within states and among states themselves posed constant problems. There are neither uniform definitions nor common sources of educational information. For example, methods of counting attendance vary significantly from state to state. In a number of districts the category of "all other federal aid" is larger than the combined aid from specific titles. Furthermore, even though our sources of information were the official figures reported to state educational agencies by local school districts, project researchers uncovered a number of inaccuracies and discrepancies in the "official" figures. Collecting data on more than 40 categories of revenues and expenditures for 573 school districts for each of four years leaves room for error on our part; however, during the twelve months of analysis and data refinement since the raw information was collected in the field, the material has been subjected to as rigorous an attempt to assure accuracy as we could devise.

CHAPTER II

THE FISCAL CONTEXT OF URBAN EDUCATION

Raising adequate revenues for the support of education is a threatening problem in a large proportion of the nation's school systems. There are, of course, exceptions to this statement: enclaves with high nonresidential taxable resources relative to the number of school children; wealthy suburban communities with high levels of residential property, income, and educational expectations; and rural districts with stable or declining populations and relatively minimal educational demands. But in most cities, suburbs, and rural areas, heightened demand for educational services and salaries are running head-on into local taxpayer resistance, state economy drives, and a pause in increased federal spending. In many areas of the country, school boards faced with fiscal crises have resorted to school shutdowns, the elimination of special projects, and increasing average class sizes.

Hardest hit of all are the larger cities of the nation where three interacting phenomena strike most directly. First, because of problems common to highly urbanized areas — a declining fiscal situation combined with steeply rising demands and costs for education and other public services -- large cities find it more difficult than most other areas to support educational services from their own tax resources. Second, education in central

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cities imposes higher costs than are found in less densely populated places. This is true because of the composition of the city student population, because of inherently higher urban cost factors, and because of aggressive and effective teacher unions. Third, cities frequently function under a legal framework that is far more restrictive and state aid laws which are far less generous than is true of suburban and rural school districts. Together, these factors have caused a crisis in urban educational finance. This chapter will discuss that crisis.

Metropolitan Developments

The roots of the crisis in large city educational finance are found in the redistribution of population and economic activities that has taken place in the last two decades. The shifts have not been random. A sorting-out process has occurred -- leaving the poor, undereducated, aged and non-white in the central cities and taking heavy manufacturing, many retail establishments and other kinds of business activities to the suburbs along with middle and upper income families. The result is that the tax base of cities has become insufficient to meet the resource needs of the high cost city population.

City poverty, in other words, often exists only a few miles from substantial suburban wealth. This adjacent ring of relative affluence complicates the plight of large city school districts because cities and suburbs compete for tax dollars, for instructional

personnel, and for the quality of their schools. In this competition, cities are at a marked disadvantage. This is not to suggest that many suburbs, particularly the older ones, do not share central city problems. In fact, there are suburbs in this country which are increasingly taking on central city characteristics and consequently have similar resource needs. For reasons already given, however, our data on SMSAs were dichotomized into central city and outside central city, and the statistical analyses were performed accordingly. Yet because the data on suburbs are diluted and distorted by the urbanized areas they contain, all comparisons between city and suburbs understate the real plight of urban areas. The following statistics express only in part the stark fiscal situation in urban America.

A. Social, Economic, and Fiscal Trends

Population growth in large cities has nearly ceased in recent years, while their suburbs are enjoying a dynamic rate of increase: between 1960 and 1967, core cities in the nation's thirty-seven largest SMSAs grew by only 3.8 percent, while their suburbs increased by 17.6 percent. Despite this slower city growth -- and in some cases the total absence of growth -- population densities in the cities continued to exceed those in the suburbs fifteen to twenty times over.

Within these differential growth rates lie marked differences in the characteristics of the metropolitan population. Central city black population, for example, has risen to 21 percent according to latest Census Bureau estimates, while surrounding areas have remained fairly stable at 5 percent. According to two recent

surveys, income differences also are extreme, with central city average family income running more than $1500 to $2000 behind suburban incomes. Significantly higher proportions of poor families and significantly lower proportions of families in more comfortable circumstances live within rather than outside core cities.

Economic activity shows a similar picture of central city disadvantage. Between 1958 and 1967 in the 37 largest SMSAs suburban retail sales increased at a real rate of 106 percent, central city sales by only 13 percent. These differing rates of growth resulted in a decline in the central city share of metropolitan retail sales from 63 percent in 1958 to 54 percent in 1963 to 49 percent in 1967 (Table II-1).* Other indicators tell a similar tale. Employment in manufacturing and wholesaling is declining in central cities while increasing in the outlying areas.

B. Tax Base Deterioration

One major consequence of these trends for educational finance is seen in the decreased capacity of urban communities to raise and to devote resources to the support of their schools. The population and economic shifts noted above have combined to depress the income base of central cities relative to their suburbs and to cause a much slower growth in the urban property tax base. Since the income of its residents is a major source of public resources, the relatively new position of cities as comparatively low-income areas is a basic problem for educational support.

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*Tables in this chapter begin on page 24.

More directly, however, it is the property tax base that is tapped for virtually all locally raised revenue for education. The traditionally higher city property tax base has been threatened in recent decades by a very slow rate of growth. In the northeast, the most recent studies show that suburban property values climbed an average of three times as much as did those of the central cities; in the midwest, suburban property appreciation was more than six times that in the core cities. For all sections of the nation, suburban property growth rate was more than two and one-half times that of the central cities.

Growth in educational expenditures has far outstripped this slow rate of growth in the urban property tax base. Professors James, Kelly, and Garms documented this phenomenon in 14 large cities between 1930 and 1960*. They found that per pupil educational expenditures rose three times as fast as property values.

C. The Problem of Municipal Overburden

Taxable resources are becoming increasingly scarcer in the core cities than in the rest of metropolitan America. But what makes the picture even bleaker is that cities are unable to devote as large a share of their resources to education as can suburban districts. Cities possess a high-cost population and an older physical plant which produce greater demands for general government services than in the suburbs -- demands for greater health, public safety, sanitation, public works, transportation, public welfare, public housing, and

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*H. Thomas James, James A. Kelly, Walter I. Garms, Determinants of Educational Expenditures in Large Cities of the United States, School of Education, Stanford University, Stanford, California, 1966.

recreation services. Central cities devote nearly 65 percent of their budgets to non-educational services, while their outlying communities devote less than 45 percent. Put another way, core cities assign only a third of their funds to education, while neighboring communities consistently spend over half of their public monies for schools.

Cities raise about 30 percent less per capita (Table II-2) for education from local taxes. On the other hand, central city residents tax themselves considerably more heavily than is the case with their suburban counterparts; city per capita tax effort (taxes as a percent of income) is over 40 percent higher (Table II-3) than in surrounding areas. In short, core cities spend less per pupil than do other parts of metropolitan areas even while taxing themselves more heavily.

Higher Urban Educational Costs

One additional consideration lends particular poignancy to the plight of urban finance: dollar for dollar, central cities get less education for their expenditures than do other parts of metropolitan areas. In other words, city education generally costs more per unit than does education elsewhere. There are two reasons for this phenomenon. First, the social and economic character of the urban school population requires an exceedingly high-cost educational program; second, many expense items in the school budget simply cost more in the cities.

A. Higher Costs Imposed by the Character of Urban Enrollment

The major factor accounting for the inherently more costly nature of schooling in the large cities is the composition of the urban school population. Higher proportions of the educationally disadvantaged, of the poor, of the handicapped, of the non-white, and of immigrants are located in central cities. The special educational needs of these groups require far greater educational resources to enable them to achieve normal grade level performance. Examples of such expensive programs are: education for the culturally disadvantaged, programs for non-English speaking adults and children, programs for children to whom standard English is virtually a foreign language, adult education in general, summer school, programs for the physically and emotionally handicapped (where expenditures per pupil are greater by a factor of 4 or 5 to 1) and vocational schools 35 percent more costly than academic secondary schools.

The percentage of non-white student population (primarily black, Puerto Rican, and Chicano) is another rough but useful index of the need for more educational resources. Non-white students tend to come from homes where parents have lower average years of schooling, schooling frequently acquired in inferior segregated schools. A host of recent studies have demonstrated the importance of parental educational background to the quality of a student's achievement in school. Those studies indicate that what the home does not provide, the schools must make up if educationally disadvantaged children are to achieve on a par with their more fortunate classmates. The impli-

cations for the cost of the school program are clear.*

What should be kept in mind is that the non-white child is represented in even larger proportion in the schools than in the total population of the largest cities. For example, in 1965 the non-white percentage of the general population of Chicago was 28 percent, yet the non-white percentage of enrollment in public schools was 52 percent. Similar patterns may be found in all parts of the nation. Table II-4 compares, for 1960 and 1965, the proportion of non-white public school enrollment. This difference in population and enrollment proportions is a result of age distribution, family composition, and the greater tendency of white parents to send their children to private and parochial schools.

B. Urban Cost Differentials

In addition to the inherently costlier nature of the urban school population, city schools must pay more for many items in their budgets than do school systems in other areas. Take for example, instructional salaries, the largest item in any school budget. In a study for the U.S. Civil Rights Commission, Professor Charles Benson pointed out, "City costs are characterized by a general expenditure raising phenomenon, namely, the age of their teachers. Also, for institutional reasons, cities tend to make promotions internally. On both counts, central cities tend to have school systems that are staffed primarily

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*For a useful discussion of a number of other studies, see Chapter III of James W. Guthrie and others, Schools and Inequality. Cambridge: MIT Press, 1971 forthcoming.

by teachers of substantial seniority. Again for institutional reasons, teachers are paid largely on the basis of seniority. It follows that central cities must pay higher salaries for teachers." In the last few years, of course, another factor has operated to increase instructional expenditures in large cities: militant teacher unions. Through tight organization and aggressive tactics, unions in the nation's metropolises have won substantial salary increases and other cost-raising benefits.

In addition to instructional salaries, personnel expenses for maintenance, secretarial, and security services are also higher in central cities as shown by Bureau of Labor Statistics reports. Higher incidences of vandalism also play a role in pushing costs upward.

Land for school buildings is also more expensive in cities. While comparisons are complicated by the more sprawling campus-style architecture of non-urban schools, the extraordinarily high costs associated with assembling even small plots for city schools appears to outweigh those in the suburbs. For example, an intensive study of education in Michigan found that in 1967 Detroit paid an average price per acre of $100,000 in contrast with approximately $6,000 per acre in surrounding school districts.

State Regulations and State Aid

Urban education systems, of course, are conducted within a legal framework and a financing system that involve a large measure of state participation. Both state regulations and state aid leave cities at a disadvantage relative to suburban and rural areas.

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The costs of retirement systems, for example, are often assumed by state governments, but in many states the large school districts are omitted from the state program and must bear retirement costs primarily from local revenues. Even where smaller districts are responsible for retirement contributions, a heavier assignment is usually charged to the large city school district or its overlying government.

When we examine the impact of state aid for education, we find that aid systems continue to bear the marks of their origins. Educational aid formulas were designed in the first decades of the century to compensate for disparities between the rich cities and the poorer outlying areas. Relative fiscal positions are now reversed, but the formulas continue to give lesser proportions of aid to cities than to suburbs, and to give more aid to rural than to metropolitan areas. Those conclusions have been drawn in many previous studies. Our project confirms these findings. In New York, Texas, and Michigan, metropolitan areas get anywhere from $17.00 to $58.00 less per pupil in state aid than do non-metropolitan areas. Only in California is the reverse true. Within the metropolitan areas we found that the central cities in all states except Massachusetts get less aid than their surrounding suburbs. As Table II-5 shows, the difference can be considerable. Looking at individual metropolitan areas the gap is often larger. For instance Syracuse, New York, in 1968 received $170.00 less per pupil than its surrounding area in state aid. Los Angeles for the same year received $95.00 less. Of the five major metropolitan areas in our study, only in Boston did the central city receive more

state aid than its metropolitan area.

Data on the thirty-seven largest metropolitan areas showed the disparities to be even greater: suburban areas received one-third more educational aid per capita in 1967 than did the core cities.

Summary

Though raising adequate revenues for education is a serious problem in all areas of the nation, we have found that the fiscal crisis is most threatening in the larger cities of the nation. The trend in metropolitan development has left them with a less affluent population and a resource base that is failing to grow at a rate sufficient to meet increasing needs. Because large urban areas have higher public service needs, a much lower proportion of their expenditures can be devoted to education than is true in suburban areas. The result is, of course, proportionately lower educational expenditures in cities than in their environs despite higher tax efforts in the cities. Unfortunately these problems are compounded by the inherently more costly nature of urban education: expenses are higher in big cities and pupil populations there include more children in need of expensive supplementary educational techniques. State regulations and state aid rather than compensating for these urban disadvantages often act to exacerbate them. This, then, is the fiscal context for our examination of the allocation of federal aid to education.

TABLE II-1

Retail Sales, Deflated by General Price Increase,
For 37 Largest Metropolitan Areas, 1958-1967

Metropolitan Ares	% Retail Sales in CC (CC/SMSA) 1958	1963	1967	%Increase (Real) in Retail Sales 1958-1967 CC	OCC
Northeast	(50.7)	(42.6)	(37.7)	(-.3)	(75.2)
Washington, D. C.	52.1%	42.1%	32.9%	10.5%	134.8%
Baltimore	71.4	58.1	53.4	4.9	128.2
Boston	38.9	31.2	26.0	-1.4	79.2
Newark	30.0	25.8	21.2	-14.1	37.1
Patterson-Clifton	36.0	23.9	24.6	.9	74.5
Buffalo	52.2	40.1	38.9	-9.9	54.7
New York	72.9	67.1	64.8	9.7	60.2
Rochester	60.4	52.9	48.5	18.1	91.3
Philadelphia	51.5	43.4	40.2	6.2	65.4
Pittsburgh	37.5	34.1	33.5	7.8	28.7
Providence	55.7	50.4	31.2	-36.3	73.1
Midwest	(66.0)	(56.2)	(48.8)	(9.5)	(127.1)
Chicago	65.3	56.9	51.5	5.3	86.6
Indianapolis	76.8	65.5	60.4	20.0	160.8
Detroit	51.1	42.7	36.1	.7	86.4
Minneapolis-St. Paul	73.4	61.5	54.4	7.9	149.7
Kansas City	59.9	63.3	50.1	55.2	64.3
St. Louis	48.1	37.5	32.7	-7.6	76.2
Cincinnati	64.2	57.0	45.0	4.6	129.4
Cleveland	74.0	54.8	39.6	-15.2	269.1
Columbus	80.2	69.0	67.2	22.8	141.9
Dayton	60.5	47.4	41.3	3.6	125.5
Milwaukee	73.1	63.1	58.4	7.4	108.3
South	(74.4)	(68.6)	(64.5)	(28.7)	(108.3)
Miami	54.9	40.4	37.5	-2.5	98.2
Tampa-St. Petersburgh	75.4	66.6	65.8	30.9	108.9
Atlanta	71.4	62.8	57.6	37.7	153.9
Louisville	70.5	64.0	57.5	14.0	101.8
New Orleans	79.0	71.3	65.3	21.0	141.9
Dallas	77.7	71.2	68.4	36.6	119.2
Houston	75.7	82.4	74.8	55.9	63.3
San Antonio	91.2	90.0	89.6	36.4	79.9
West	(74.4)	(68.6)	(64.5)	(28.7)	(108.3)
Los Angeles-Long Beach	48.8	41.3	39.9	22.2	75.4
San Bernardino	44.9	42.1	NA	NA	NA
San Diego	64.0	56.4	53.9	25.6	91.8
San Francisco	54.5	48.0	43.4	16.3	81.6
Denver	70.5	55.9	53.3	11.1	132.4
Portland	76.3	58.8	59.6	28.1	180.3
Seattle	71.7	63.5	54.3	18.0	152.5
36 SMSAs	63.0	54.1	49.3	12.6	105.8

Source: John Callahan. Advisory Commission on Intergovernmental Relations. Metropolitan Disparities - A Second Reading. Bulletin No. 70-1, Washington, D.C.: the Commission, January, 1970. A Joint Project of the ACIR and the SURC Policy Institute.

TABLE II-2

Percapita Taxes For 37 Largest Metropolitan Areas, 1966-1967

Metropolitan Areas	Per Capita Taxes: Total CC	Total OCC	Education CC	Education OCC	Non-Education CC	Non-Education OCC
Northeast	(223)	(174)	(61)	(105)	(159)	(79)
Washington, D. C.	$340	$147	NA	NA	NA	NA
Baltimore	193	127	NA	NA	NA	NA
Boston	232	162	$55	$108	$177	$54
Newark	259	224	57	128	202	95
Paterson-Clifton	180	214	74	135	106	79
Buffalo	221	172	40	55	181	118
New York	305	255	90	139	215	115
Rochester	213	176	68	116	145	60
Philadelphia	176	139	51	85	125	54
Pittsburgh	176	126	52	71	124	55
Providence	157	169	NA	NA	NA	NA
Midwest	(187)	(145)	(75)	(89)	(113)	(56)
Chicago	189	168	65	104	124	64
Indianapolis	180	141	78	98	102	42
Detroit	170	160	50	95	119	64
Minneapolis-St. Paul	190	175	63	107	128	68
Kansas City	206	113	86	66	120	47
St. Louis	203	137	71	87	132	50
Cincinnati	193	110	70	69	114	41
Cleveland	181	172	81	112	100	59
Columbus	129	146	67	108	62	39
Dayton	217	113	107	78	111	35
Milwaukee	203	163	73	55	130	107
South	(135)	(104)	(45)	(52)	(90)	(52)
Miami	197	152	62	62	135	90
Tampa-St. Petersburgh	142	106	44	44	98	62
Atlanta	159	105	56	55	103	51
Louisville	135	110	39	76	96	34
New Orleans	109	60	39	10	70	50
Dallas	142	108	51	60	91	48
Houston	122	154	41	99	81	55
San Antonio	71	34	28	11	43	23
West	(230)	(173)	(95)	(91)	(135)	(83)
Los Angeles	250	225	100	100	150	125
San Bernardo-Long Beach	234	202	115	99	119	103
San Diego	169	177	73	87	96	91
San Francisco	322	222	85	127	237	95
Denver	220	154	114	89	107	65
Portland	208	131	91	79	118	52
Seattle	205	100	85	53	119	47
Weighted average for 37 SMSAs	219	170				
Weighted average for 34 SMSAs	217	172	73	96	144	76
Unweighted averages	195	150	69	84	126	66

Source: John Callahan. Advisory Commission on Intergovernmental Relations. Metropolitan Disparities - A Second Reading. Bulletin No. 70-1. Washington, D.C.: the Commission, January, 1970. A Joint Project of the ACIR and the SURC Policy Institute.

TABLE II-3

Taxes as a Percentage of Personal Income
For 37 Largest Metropolitan Areas, 1966-1967

Metropolitan Areas	Local Taxes as a Percentage of Personal Income	
	Central City	Outside Central City
Northeast	7.2%	4.8%
Washington, D. C.	9.1	4.4
Baltimore	7.2	3.5
Boston	8.4	4.0
Newark	8.8	5.5
Patterson-Clifton	6.4	6.2
Buffalo	7.7	5.2
New York	8.0	5.6
Rochester	6.4	4.8
Philadelphia	6.2	4.0
Pittsburgh	5.8	3.9
Providence	5.4	5.6
Midwest	5.9	3.9
Chicago	5.2	3.9
Indianapolis	5.3	3.9
Detroit	4.9	4.2
Minneapolis-St. Paul	5.1	4.8
Kansas City	6.3	3.4
St. Louis	7.0	3.8
Cincinnati	6.3	3.5
Cleveland	6 4	4.2
Columbus	4.8	3.9
Dayton	6.8	3.2
Milwaukee	6.4	3.9
South	4.7	3.3
Miami	6.7	4.6
Tampa-St. Petersburgh	5.3	4.2
Atlanta	5.1	2.9
Louisville	4.6	3.2
New Orleans	3.7	2.1
Dallas	4.5	3.3
Houston	4.0	5.3
San Antonio	3.3	1.0
West	6.1	5.5
Los Angeles-Long Beach	6.3	6.3
San Bernardino	8.2	8.0
Dan Diego	5.2	6.1
San Francisco	7.1	5.7
Denver	6.5	5.0
Portland	5.9	4.2
Seattle	3.7	3.5
Total	6.1	4.3

Source: John Callahan. Advisory Commission on Intergovernmental Relations. Metropolitan Disparities-A Second Reading. Bulletin No. 70-1. Washington, D.C.: the Commission, January, 1970. A Joint Project of the ACIR and the SURC Policy Institute.

TABLE II-4

Non-white Population and Non-white School Enrollment
For Fifteen Largest Cities: 1960 - 1965

City	Percent Non-white of Total Population 1960	1965	Percent Non-white of School Population 1960	1965
New York	15%	18%	22%	28%
Chicago	24	28	40	52
Los Angeles	17	21	21	21
Philadelphia	27	31	47	55
Detroit	29	34	43	56
Baltimore	35	38	50	61
Houston	23	23	30	34
Cleveland	29	34	46	49
Washington	55	66	78	88
St. Louis	29	36	49	60
Milwaukee	9	11	16	21
San Francisco	18	20	31	43
Boston	10	13	16	26
Dallas	19	21	26	27
New Orleans	37	41	55	63

TABLE II-5

State Aid Per Pupil by Metropolitan Areas, 1967

State	Total	CC	OCC	Diff. in Favor OCC
New York	$475.20	$392.90	$485.88	$ 92.98
California	271.65	250.73	274.06	23.33
Texas	206.21	183.01	210.48	27.47
Michigan	263.06	227.88	268.41	40.53
Massachusetts	118.41	223.07	114.93	-108.14

CHAPTER III

THE PATTERN OF ALLOCATION OF FEDERAL AID TO EDUCATION

Federal aid to education has a history that dates from the Northwest Ordinance of 1785. Even the modern form of assistance, categorical programs of grants-in-aid, has a continuous tradition stretching back more than fifty years to the Smith-Hughes Vocational Educational Assistance Program of 1917. A brief overview of the major developments in federal educational programs may be useful at this point.

During the Depression, federal programs to furnish inexpensive milk and school lunches were begun. The Second World War brought impacted areas aid to school districts called upon to educate influxes of children whose parents were attached to military bases and other federal facilities. In the 1950's, spurred by the national trauma inflicted by the Soviet launching of Sputnik, federal assistance grew significantly through the National Defense Education Act aimed at upgrading programs in science, mathematics, foreign languages, and other critical areas.

Then in 1965 Congress passed the Elementary and Secondary Education Act (ESEA) to serve two ambitious and challenging educational goals: (1) achieving equality of educational opportunity by targeting funds for the education of children from low income families and (2) raising the quality of all education by supporting experimentation

and innovation. In programmatic content and in level of funding, ESEA represented a quantum jump in the federal role.

Throughout this history, federal aid has served both to meet educational objectives and to assist school districts in bearing the costs of the most expensive domestic governmental service: elementary and secondary education. This chapter concentrates on the second of those purposes, and analyzes the impact federal programs have on the financing of public elementary and secondary education in the United States.

The Concept of Equity and Federal Aid

In selecting the areas of inquiry and the kind of analysis we would perform, the philosophy of the authors has played an important part. We feel it necessary, therefore, to make explicit our belief that one of the central questions to be asked about any governmental service is whether it is equitably distributed. In the case of state and local resources for education, we believe the distribution of services is basically inequitable.

The chief reason for this inequity is that the level of expenditures for education is determined primarily by the wealth of more than 17,000 individual public school districts in the nation. Local taxable resources, which provide more than half the revenue for running the public schools, vary immensely from district to district. For the children who live in those districts the quality of education varies accordingly. State

aid laws, which supply an additional 42 percent of school revenues, fail to overcome the disparities among districts and in many states actually reinforce them.

That the level of support devoted to one's schooling should vary markedly depending upon where one happens to live is, we believe, both rationally and ethically questionable. But when the variations in school spending are in inverse relationship to the incidence of the need for educational services, the inequity is compounded. As discussed in the previous chapter, the greatest need for educational resources exists where the handicaps to learning are greatest, namely among the poor, the handicapped, and the victims of prejudice and neglect. These groups tend to be concentrated where taxable resources are least available for education, notably, highly urbanized areas and particularly the large cities of the nation.

In analyzing the pattern of federal aid to education, therefore, we consider aid to be equitably distributed when it tends to offset disparities among school districts in regard to wealth (income and property valuation), when it provides assistance to urbanized areas in proportion to their fiscal disadvantages, and when it supplies proportionately more money to districts with higher numbers of educationally disadvantaged pupils.

Within that framework our findings indicate that:

(1) federal aid to education in the aggregate has only a slight equalizing tendency at best, and that within a number of metropolitan areas it displays distinctly disequalizing characteristics;

(2) the degree of equalization, where it does exist, is usually too small to offset pre-existing disparities among school districts, and

(3) a number of individual federal programs operate to help the rich districts get richer.

To be more specific, we found that:

a. Non-metropolitan areas, largely rural and small town in character, tend to receive more federal aid per pupil than do metropolitan areas.

b. While central cities get more total federal aid than their suburbs, the amount of federal aid is too small to offset the suburban advantage in local and state revenues. Suburbs averaged $100 more per pupil in total revenues than their core cities in four of the five states in the study.

c. With the exception of ESEA Title I, federal programs frequently provide more funds to suburban districts than to central city districts. Large cities appear to receive less money from programs such as ESEA II, ESEA III, NDEA III, and Vocational Education than their proportion of the states' enrollment would suggest.

d. Districts with lower income tend as a general rule to get somewhat more federal aid than districts with higher income, but there are numerous glaring exceptions. With regard to property valuation, federal aid shows no equalizing effect at all.

e. Somewhat more federal aid goes to districts with higher proportions of non-white students. However, the amounts are not in proportion to the magnitude of the added costs in educating the disadvantaged.

f. During the four-year time period under study, the amounts of aid received by local districts varied erratically. Almost half the metropolitan areas in the sample reported an actual decrease in revenues during the last year of the study.

g. ESEA I funds appear to go largely for ancillary programs and are not utilized to improve the central portion of the curriculum presented to disadvantaged children. The failure to concentrate funds on students most in need of compensatory education, and the widespread but improper use of Title I as general aid for system-wide purposes have diluted the effect of that program.

h. The amounts of federal aid are simply too small to be of anything but marginal help to financially imperiled educational systems. In comparison with total revenues from all sources which ran from $475 to $1,000 per pupil in the five states, we found total federal and averaging only $22 to $50 per pupil, or from 3.3 percent to 10 percent of average district revenues. These amounts are inadequate in face of the massive financial problems facing education.

Federal Funding for Education - the National Picture

Before we begin our discussion of the findings in detail, let us briefly trace the levels of federal educational funding and their relationship to educational expenditures for the nation as a whole. The growth of federal aid to education over the past thirteen years had been both significant and erratic (Table III-1).* Over that entire period, aid grew nearly six-fold, from just under $500 million to $2.9 billion. Between 1957 and 1964 federal funds almost doubled. They doubled again in one year, 1965-66, as a result of the passage of ESEA. However, during the last five years this overall growth pattern slowed and, if allowance is made for inflation, has actually declined in real terms. Furthermore, as a proportion of total educational revenues, federal aid rose consistently over a decade to a high of 8 percent in 1967-68, but has since declined steadily to 6.9 percent in 1970-71 (Table III-2).

*Tables in this chapter begin on page 54.

In any case, while the proportion of federal educational support has not been impressive, federal aid has exerted programmatic or financial leverage in certain areas of national policy. In the areas of vocational and agricultural education, and more recently, science and language instruction, federal funds have had an important impact. In some program areas such as language laboratories, federal funding constitutes the preponderant proportion of support. In short, federal aid to education provides a small but important proportion of total educational expenditures.

Federal Aid Distribution

An understanding of the levels of federal educational funding provides an orientation to an analysis of the impact of federal aid to education. Our concern, however, is with federal funds as they actually reach school districts. It is only there that the real impact of aid programs can be felt. Ideally, we would have liked to have reported finances by individual schools, but such data are currently unavailable. The statistics that follow, therefore, have been assembled from official reports of local districts to their state education departments. As a result, figures for the states of our samples (for example, the proportion of federal aid to total revenues) may differ somewhat from the amounts of federal aid reported for states as a whole by state education

departments. For one thing, certain direct state expenditures will elude us. For another, small federal programs or those administered by multi-district authorities may go unreported by individual school districts while state officials are able to report the state's total allotment. Yet on balance, the most important consideration was to report finances as close as possible to the point where they are transformed into real educational resources (services, equipment, and facilities), a procedure that we have adapted from the recent innovation in data collection, the Elementary and Secondary General Information Survey of the United States Office of Education (USOE).

A. Rural and Metropolitan

One of the most consistent patterns of impact that emerges from our data is that school districts in non-metropolitan areas, largely rural and small town in character, get more federal aid per pupil than do metropolitan areas (Table III-3). In California, Texas, and Michigan, non-metropolitan areas receive an average 50 percent more aid per pupil than do the metropolitan areas. The greater importance of federal aid in the rural areas is underscored by the fact that such aid provides a consistently larger proportion of educational revenues there than it does in metropolitan school districts. New York State comes as an exception to these findings because of the immense impact of New York City with its

high concentrations of families receiving welfare payments (AFDC) and thus qualifying for large amounts of ESEA Title I funds.*

B. Central City and Suburban

Examination of aid distribution within metropolitan areas -- between central cities on the one hand and their suburbs on the other -- reveals that while core cities receive more aid than their suburbs, the amounts of federal aid are insufficient to overcome the suburban advantages in locally raised revenues and state aid. With the exception of Michigan where there is a small ($17.00) revenue edge favoring central cities, suburbs have an average of $100 more to spend per pupil than do the central cities (Table III-4).

In Massachusetts, for example, central cities receive almost twice the dollar amount of federal aid per pupil as the suburbs ($69 and $38), and federal aid represents 10.2 percent of all central city revenues compared to 4.8 percent in suburbs. Despite this important difference, suburban school districts in that state still receive 15 percent ($104) more from all sources than do central city districts. This pattern is repeated in New York and Michigan. Thus, while central cities in three of the five states receive more federal aid both absolutely and proportionately than do their suburbs -- and essentially the same amounts in the remaining two states -- the general picture is one in which federal aid has failed to close the wide gap in revenues available to education between cities and their suburbs.

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*In determining the amount of Title I aid a district is eligible to receive, the major criterion used is the number of children whose parents receive Aid to Families with Dependent Children (AFDC).

But these data reflect only one dimension of the problem of raising sufficient revenues for education in cities. As we noted in Chapter II, the higher costs of providing comparable educational services in cities compound existing disparities.

In comparison with the non-metropolitan portions of the five states, central cities fare less well. Only in New York is there a clear central city advantage. In both California and Texas rural areas receive considerably more federal aid, and in Michigan the two areas receive virtually the same amounts. In regard to total revenues for education, there is no clear pattern, with non-metropolitan areas and central cities each leading the other in two states.

C. Title I of ESEA

As the largest federal aid to education program, ESEA Title I deserves special mention. In 1967, it amounted to $17.26 per pupil in the states in our sample. This amount was almost half (46 percent) of the total federal aid received. Even more than total federal aid, ESEA I has had a greater impact in rural areas than in metropolitan centers. In 1967, non-metropolitan areas received 85 percent more Title I funds than did metropolitan areas ($25.50 to $13.85). This difference more than accounts for the overall disparity between federal funds to metropolitan and non-metropolitan areas.

Within the states, Texas and New York are relatively high in the amounts of ESEA Title I received ($18.25 and $16.27) while the other three states received between $10 and $12.

When the distribution of ESEA I within metropolitan areas is examined, the central cities uniformly do well in relation to their surrounding communities. The only major exceptions are Houston, Dallas and Anaheim, which receive slightly less money per student in ESEA I than do the outside city areas.

D. Other Major Federal Programs

While the formula for the allocation of Title I funds works toward equity for central cities within SMSAs, the pattern of distribution of other federal education programs does not. The point is illustrated by the following example and by a survey of the 50 largest cities in the nation.

How a very wealthy suburb can garner substantially more federal aid than a neighboring deteriorating central city may be seen in the case of Schenectady and Niskayuna, New York (Tables III-5 and III-6). Schenectady, a central city whose depressed financial situation can be seen most readily in the fact that it qualifies for three times more Title I aid per pupil than Niskayuna, received only $60 per pupil from all federal programs. Niskayuna, probably the wealthiest suburb in the area, is able to take advantage of a sufficient range of federal programs to receive $84 per pupil, or 140 percent the amount of its proportionately poorer neighbor. State aid acts to reinforce the disparity. With a deteriorating fiscal situation and a school pop-

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ulation with proportionately three times the number of disadvantaged pupils as its neighbor, the central city receives $100 less per pupil for education.

A study by the USOE examined entitlements under five federal programs to compare the share of state allocations going to large cities with the share of the state's student population in those cities. Except for Title I of ESEA, the study found that large cities were receiving less aid than their proportionate share of the state's population would imply. In other words, not only were federal aid programs not compensating for the special fiscal problems of cities discussed in Chapter II; federal aid programs were not even giving cities their proportionate share (Table III-7). In the 50 largest cities in the nation, with 21.3 percent. of the pupil enrollment in their combined 28 states and 26.4 percent of the disadvantaged by Title I count, their receipts by program were 15.9 percent of Vocational Education funds, 16.2 percent of NDEA Title III (instructional equipment), 18.1 percent of ESEA II (textbooks and library resources), and 20.5 percent of ESEA Title III (supplemental services and centers). Only under ESEA I did the 50 cities receive funds equal to their percentage of state's student population.

The 25 largest cities of the nation received $280 million for the 6 major education programs. With 12 percent of the enrollments in their states, this represented 14.7 percent of the state's federal aid, but only 10.4 percent of aid other than Title I.

Federal Aid and the Capacity to Support Education

This section will examine the relationship of federal aid to some indicators of district capacity to support education:

median family income, state equalized property valuation, state aid, and total revenues for education.

A. Federal Aid and Median Family Income

Let us look first at the relationship of federal aid to average income among school districts within each of the five states. When simple correlation coefficients are computed, we find an inverse relationship (signified by the negative values in the table) in every state in the sample, indicating that where income is lower, federal aid is higher. A perfectly inverse relationship would have a -1.00 coefficient, so it is clear that only in Texas (-.67) is the relationship a particularly strong one.

Correlations of Revenue from Major Federal Programs with Median Family Income in Districts of Metropolitan Areas

California	New York	Texas	Michigan	Massachusetts
-.27	-.31	-.67	-.17	-.30

We have looked more intensively into the income-aid relationship in the largest metropolitan area of each of the five states. As Table III-8 shows, in all states except Massachusetts the wealthiest suburban districts received the least federal aid per pupil and the poorest districts got the most when central cities

were not considered. However, if we look for a consistently equalizing effect the results are disappointing. In Houston and Detroit, for example, districts with moderately high family incomes get more federal aid than districts with moderately low income.

Even where the pattern is an equalizing one, it is frequently very mild in its effects. In the Boston metropolitan area, for instance, the wealthiest districts receive $29.00 in federal aid per pupil while the poorest receive $33.00, a difference of only $4.00 despite a nearly 50 percent differential in their average income levels.

Glaring examples of disequalization are found in each of the large metropolitan areas. Beverly Hills, the richest district in the Los Angeles area with a 1960 median family income of just under $12,000, received $17.00 per pupil in federal aid. The Hudson district, with about $6,700 in median family income,received only $14.00. In Massachusetts, Quincy (average income $6,800), which qualifies for large amounts of Impacted Areas (PL 874) aid, received $123.00 per pupil in federal money whereas Salem, with average income of under $6,000, received only $9.00 and Malden, with average income of $6,200, received only $18.00 in federal aid. In each of the cases mentioned above, the richer districts spend twice as much money from all sources per pupil than do the poorer districts.

Core cities received more federal aid than any other districts in three of the states , more than their low income

positions alone would suggest. This phenomenon is probably the result of the high proportion of welfare (AFDC) families residing in central cities. Yet even in those states where a relatively high amount of federal aid goes to the cities, the amount those cities spend per pupil from all revenue sources is consistently among the very lowest of the districts within the metropolitan area.

When individual federal aid programs are examined, even the mild overall equalization effect disappears except for Title I of ESEA. Taking one random district from each of the categories of median family income in the New York metropolitan area, we find that the pattern of distribution of individual programs defies simple explanation (Table III-9).

Without ESEA I, totals of federal aid display an essentially disequalizing tendency. With the exception of Bellport, richer districts get more money than do poorer ones. Individually, ESEA II and Lunch and Milk money are fairly evenly distributed among districts. Other programs have no ascertainable relationship to median family income.

B. Federal Aid and the Property Tax Base

The concept of equalization has traditionally been linked to the size of the real property tax base of school districts. The uneven location of real property has long been seen as a major cause of inequality in the educational opportunities provided in different

communities. To overcome these disparities, equalization formulas for the distribution of state educational aid typically allocate funds, to some greater or lesser degree, in inverse proportion to the level of property value per pupil. Aid ceilings, floors, and sharing ratios, however, often serve to defeat the nominal purposes of such programs. In addition, while property value may serve as a realistic yardstick of comparative fiscal ability among the relatively comparable school districts of the suburban and rural areas, students of public finance question its usefulness in measuring the entirely different fiscal position of large cities and highly urbanized areas. There, as we showed in Chapter II, the greater service needs of an urban population place a far higher demand upon the property tax base than is the case in less densely populated areas. Proportionately less locally raised revenue can, therefore, be devoted to education in the large cities than in the suburban and rural areas on an equal amount of taxable property.

Correlations of Revenue from Major Federal
Programs with State Equalized Property
Valuation in Districts of Metropolitan Areas

California	New York	Texas	Michigan	Massachusetts
-.18	-.03	-.21	.22	-.14

Given the shortcoming of valuation as a universal measure of capacity, it is still interesting to note whether federal aid offsets district property tax base disparities. The simple answer is that it does not. Correlation coefficients display no significant relationships. While four out of the five states do show an inverse relationship (federal aid is higher where valuation is lower) the values are so low as to be meaningless. In one state the relationship is even reversed: in Michigan, as we saw, more federal aid goes to districts that are richer.

In the five major metropolitan areas, federal aid has at best a neutral and at worst a disequalizing impact. Leaving central cities aside, in many instances the wealthier districts do better than other categories of suburban districts in garnering federal aid. In the New York, Houston, Detroit, and Boston areas more aid goes to the wealthiest category than to the poorest, and in the metropolitan areas of New York and Detroit, the richest group of districts outside the core cities receives more aid than any other category (Table III-10).

C. Federal Aid and State and Local Revenues

The relationship between federal and state aid is of great interest. Some observers have viewed federal aid as complementary to state aid, others as a measure to offset and redirect state priorities and patterns. Our results provide little support

for either view ; correlation coefficients showed virtually a random relationship except in Texas where there was a slight (.29) correlation with state aid patterns.

Correlations of Federal Revenue with State Aid to School Districts in Metropolitan Areas

California	New York	Texas	Michigan	Massachusetts
.07	-.18	.29	-.08	.06

The effect of federal aid when compared to local revenue is somewhat similar. Although the correlations are all negative, the degree of correlation is of an inconsequential order in all states except Texas, thus indicating that federal aid assists districts with less revenue for education as much as districts with greater funds for their schools.

Federal Aid and Non-White Enrollment

One measure of a district's educational resources is, as discussed in Chapter II, the proportion of educationally disadvantaged students in the schools of the system. As a proxy for such data, we have taken the district's proportion of non-white students. We

find that the flow of federal aid is significantly related to the proportion of non-white (primarily black, Puerto Rican, and Chicano) students in a school district. This relationship emerges from the correlation coefficients, which show a consistent positive relationship. The higher the proportion of non-white students, the more federal aid a district tends to receive. While the strength of the correlation is only of moderate power, collectively they are the strongest relationships that emerged from the variables tested.

Correlation of Revenue from Major Federal Programs with Proportion of Non-white Students in Metropolitan School Districts

California	New York	Texas	Michigan	Massachusetts
.33	.31	.21	.54	.43

To illustrate the phenomenon in more detail, we have compared the districts in the New York metropolitan area that have more than 15 percent non-white school populations with the average of their income quartiles. With the exception of one rather high income district in which rapid black immigration has been a very recent

characteristic, districts with large black pupil proportions receive far more federal aid than do other districts of comparable income. Title I of ESEA is the primary source of these higher revenues (Table III-11).

Offsetting the higher costs of education for the disadvantaged is an important form of equalization. Since non-white populations tend to have a significantly higher proportion of educationally disadvantaged pupils, this pattern of greater amounts of federal aid, notably Title I aid, to districts with larger non-white populations constitutes a distinct equalizing effect. Unfortunately, the amounts of added aid, roughly averaging $20 to $30 more per pupil, can have relatively little impact in comparison with the immense costs involved in effective education for the disadvantaged.

The Trend in Federal Aid

One important factor in understanding the impact of revenue is the pattern of aid over time and its effects on educational policy. When school districts are confident of steadily rising amounts of aid, those aid programs are likely to become an integral part of the total educational planning of administrators and school board members. However, where aid varies markedly from year to year, educational planners are handicapped by uncertainty as they develop next year's academic program, contract for facilities and equipment, and hire additional staff.

During the years covered by our study, federal aid reaching school districts has differed from year to year and has followed no

discernible pattern. While all the states and metropolitan areas in the sample show increased per pupil aid for the four-year period, in the last year of the period almost half the districts in metropolitan areas reported an actual decrease in per pupil amounts of aid. An additional fourth of the areas maintained the same level of aid, and only the remaining 30 percent showed an increase. Yearly revenues reported by the major cities in New York State illustrate the phencmenon (Table III-12).

Problems of Program Administration

To this point we have confined our discussion to an analysis of the patterns of allocation of federal aid to education. Subsequent reports, some already in preparation, will examine the decision-making processes on federal aid to education in school districts, in state education departments, and in federal educational agencies. In this report, however, we think it may be useful to make at least cursory mention of some of the outstanding problems of program administration that weaken the impact of programs of federal aid to education.

The operation of Title I is of particular interest because its funds are allocated on the basis of a poverty formula, thus providing substantial assistance to central cities and other communities with greater than average need for educational resources. The effect of the leveling of the rate of growth of federal educational aid is seen in its effect on Title I. In the 1968-69 school year, "cutbacks of $68 million combined with the growing costs of education resulted in $400 million less for disadvantaged pupils in the local schools this year than was available in the first year of the program,"

according to the Fourth Annual Report of the National Advisory Commission on the Education of Disadvantaged Children. In addition, the growth in the number of eligible pupils has made for a sharp decline in funds available for each Title I participant -- both because of changes in the federal eligibility formulas and because many cities have experienced a marked increase in the number of pupils from families receiving AFDC payments (which increases the number of Title I eligibles). Testimony presented before the House Education and Labor Committee showed that in New York State, Title I funds per poverty eligible pupil had declined to little more than half, from $365.64 to $200.10 in the first four years of Title I operation (Table III-13).

Dilution of the tendency of aid to overcome educational disadvantage has occurred not only because of total funding levels but also because of administrative procedures of many state and local education agencies. Since the poverty factors which are employed to allocate funds to the county and district levels are not used in determining the particular children who will benefit from Title I programs (poor educational performance is the criteria), school officials have considerable leeway in determining the particular beneficiaries of federal funds. By failing to concentrate funds to provide total educational effort directed toward students most in need of compensatory education, many school systems have spread Title I allocation thinly in order to include as many students as possible. The result is a superficial veneer of fragmented programs

of new equipment rather than an integrated, high impact intervention to achieve major educational change. In statistical terms this may be seen in the average national expenditure for each pupil participating in a Title I program last year: $95.00. With average per pupil expenditure from all sources running at just under $700 per pupil nationally at the same time, this level of Title I spending is highly unlikely to achieve marked change in the quality of education afforded the educationally disadvantaged.

There are other reasons why Title I of ESEA has failed to bring the degree of aid for urban education problems that was originally expected. Because of the uncertainty and late availability of funds, a circumstance which has prevented educators from being able to plan for Title I as they develop their program months in advance of the start of the school year,* ESEA money has largely gone for a variety of special ancillary programs and has not been utilized to upgrade the central portion of the educational curriculum presented to disadvantaged children. Thus while Title I funds have been of importance to central city school districts and have helped to offset the imbalance of financing described in earlier sections of this paper, the effect has not been even as helpful as the gross figures might suggest.

In December of 1969 a report by the Washington Research Project titled Title I of ESEA Is It Helping Poor Children stirred

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*For a full discussion of many of these problems, see Stephen K. Bailey and Edith K. Mosher ESEA: The Office of Education Administers a Law, Syracuse University Press, 1968, Chapters IV and V.

wide interest. The report documented a series of instances in which Title I funds were being used for purposes other than assisting disadvantaged children. The report included the following conclusions: "We found that although Title I is not general aid to education but categorical aid for children from poor families who have educational handicaps, funds appropriated under the Act are being used for general school purposes; to initiate system-wide programs; to buy books and supplies for all school children in the system; to pay general overhead and operating expenses; to meet new teacher contracts which call for higher salaries; to purchase all-purpose school facilities; and to equip superintendents' offices with paneling, wall-to-wall carpeting and color televisions.

"Though Title I funds are supplemental to regular money, there are numerous cases where regular classroom teachers, teacher aides, librarians, and janitors are paid solely from Title I funds ...

"Title I funds are not to supplant other Federal program funds. But the extent to which Title I funds have been used to feed educationally deprived children, to purchase library facilities and books, to provide vocational education for disadvantaged students, raises serious questions as to whether Title I funds are being used to supplant National School Lunch, Child Nutrition Act, Title II ESEA and Vocational Education Act funds.

"Title I funds are not for the benefit of non-poverty children, yet teaching personnel, equipment, supplies, and materials purchased with this money are found in some of the most affluent schools where not a single educationally disadvantaged child is enrolled.

"And Title I funds are not to equalize racially segregated schools. Yet many Southern school systems which have steadfastly refused to comply with the Constitutional mandate to desegregate use Title I funds to make black schools equal to their white counterparts. These funds are sometimes used to actually frustrate desegregation by providing black children benefits such as free food, medical care, shoes and clothes that are available to them only so long as they remain in an all-black school."[1]

Shortly after the publication of the report, Commissioner James E. Allen appointed an Intragovernmental Task Force to improve the functioning of Title I. Among the early products of the Task Force was the "comparability requirement." Issued in the summer of 1970, it requires school districts to demonstrate that Title I schools are the equal of non-Title I schools in teacher pupil ratios and instructional expenditures without and before the expenditure of Title I funds. While the effects of such a requirement would be immense, problems of implementing it are also great. At present it is far too early to judge its effectiveness.

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[1]A report by the Washington Research Project of the Southern Center for Studies in Public Policy and the NAACP Legal Defense and Educational Fund, Inc., Title I of ESEA Is It Helping Poor Children? December, 1969, pp. 57, 58.

Conclusion

This chapter has examined the pattern of allocation of federal aid to education. The story in general is grossly disappointing. Rural areas receive far more aid proportionately than metropolitan areas, even more than central cities. Many individual aid programs give more help to rich districts than they do to poorer ones. Fund flows over time are so uneven, both within fiscal years and from year to year, that harried school planners often end up shunting federal aid funds to the least pressing, least important of their academic priorities. And problems of program administration further dilute the effect of federal dollars. Most notable of all, the magnitudes of aid are so small -- averaging from $22 to $50 per pupil in the five states of the sample and from 3.3 percent to 10 percent of total revenues per pupil (Table III-14) -- that they must be found wanting when compared with the enormous tasks faced by, and inadequate money available for, public education. That central cities -- with their social, economic, and fiscal problems -- should be averaging significantly and consistently less in per pupil revenues than their less threatened suburbs is no less than a national disgrace (Table III-4).

There are a few glimmers of light. Overall federal aid provides proportionately more aid to the fiscally threatened

core cities than to their more favored environs. Federal aid tends to go in greater proportions to districts with lower than average incomes and higher than average proportions of non-white students. These tendencies toward equity, however, are far too little to overcome the basic maldistribution of educational finances in this nation.

It may be well, in conclusion, to remind ourselves of what that maldistribution implies, for statistical correlations and dollar amounts have a way of hiding as much as they convey. The real impact of inadequate and discriminatory funding levels is evidenced in high dropout rates, student performance below grade level, difficulties in attracting and holding qualified teachers, and overcrowded classes held in aged and dilapidated school buildings. The costs of these conditions are varied and immense. They are reflected in higher welfare, law enforcement, and job training expenses of the cities, in the flight of the middle class to the suburbs, and in the human tragedy and property destruction of urban unrest.

Remedying the problems on the educational agenda will not be easy. It will require the development and implementation of new approaches and special programs. Retrained and better trained teachers will be needed. New class configurations and clinical techniques may also be called for. A variety of strategies will be employed but one factor will be common to all: they will be costly. Until the federal government assumes the responsibility for providing an adequate and equitable pattern of aid to education, the crisis in American education will continue.

TABLE III-1

Revenues for Public Elementary and Secondary Schools
(in thousands)

School year	Total	Federal	State	Local
1957-58	$ 12,181,513	$ 486,481	$ 4,800,368	$ 6,894,661
1959-60	14,746,618	651,639	5,768,047	8,326,932
1961-62	17,527,707	760,975	6,789,190	9,977,542
1963-64	20,544,182	896,956	8,078,014	11,569,213
1965-66	25,356,858	1,996,954	9,920,219	13,439,686
1966-67	27,256,043	2,162,892	10,661,582	14,431,569
1967-68	31,092,400	2,472,464	12,231,954	16,387,982
1968-69	33,743,748	2,455,547	13,729,344	17,558,857
1969-70	38,192,011	2,767,045	15,627,751	19,797,215
1970-71	41,936,556	2,892,957	17,226,776	21,816,823

Source: National Education Association, Research Division, Estimates of School Statistics

TABLE III-2

Revenue Received from Federal, State, and Local Sources
for Public Elementary and Secondary Schools
(by percentage)

School Year	Federal Sources	State Sources	Local Sources
1957-58	4.0%	39.4%	56.6%
1959-60	4.4	39.1	56.5
1961-62	4.3	38.7	56.9
1963-64	4.4	39.3	56.4
1965-66	7.9	39.1	53.0
1966-67	7.9	39.1	53.0
1967-68	8.0	39.3	52.7
1968-69	7.3	40.7	52.0
1969-70	7.2	40.9	51.8
1970-71	6.9	41.1	52.0

Source: Committee on Educational Finance, National Education Association

TABLE III-3

Revenue Sources by Metropolitan and Non-metropolitan Areas, 1967

State	Federal Aid	% of Total Revenue	State Aid	% of Total Revenue	Local Aid	% of Total Revenue	Total Revenue
California							
Metro	$37	5.1%	$272	37.3%	$420	57.5%	$730
Non-metro	54	8.4	237	37.0	350	54.6	641
New York							
Metro	35	3.4	484	47.3	504	49.3	1023
Non-metro	31	3.4	542	58.7	350	37.9	923
Texas							
Metro	42	8.8	207	43.4	228	47.8	477
Non-metro	63	11.8	250	46.7	222	41.5	535
Michigan							
Metro	18	2.7	264	39.6	385	57.7	667
Non-metro	30	4.8	305	48.5	294	46.7	629
Massachusetts							
Metro	39	5.9	126	19.0	498	75.1	663
Non-metro	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

TABLE III-4

Federal Aid and Total Revenue
By Central City, Outside Central City, and Non-Metropolitan Areas, 1967

State	Fed. Aid	Total Revenue	% Fed. Aid
California			
Central City	$39	$684	5.8%
Outside Central City	40	817	4.8
Non-Metro	54	641	8.4
New York			
Central City	68	876	7.7
Outside Central City	31	1037	3.0
Non-Metro	31	923	3.4
Texas			
Central City	38	479	7.9
Outside Central City	36	485	7.4
Non-Metro	63	535	11.8
Michigan			
Central City	29	683	4.2
Outside Central City	17	666	2.5
Non-Metro	30	629	4.8
Massachusetts			
Central City	69	675	10.2
Outside Central City	38	779	4.8
Non-Metro	n.a.	n.a.	n.a.

TABLE III-5

Summary of Revenue Sources for Schenectady and Niskayuna, New York, 1967

	Enroll-ment	ESEA I	Other Fed. Aid.	Total Fed. Aid From All Sources	State Aid	Total Revenue
Schenectady	12,480	$ 28	$ 32	$ 60	$ 454	$ 1069
Niskayuna	4,708	6	78	84	471	1173

TABLE III-6

Federal Revenue by Programs for Schenectady and Niskayuna, New York, 1967

	Schenectady		Niskayuna	
Federal Program	Amount	Per Pupil	Amount	Per Pupil
ESEA I	$ 348,800	$ 27.94	$ 26,300	$ 5.58
ESEA II	24,400	1.95	35,100	7.48
ESEA III			134,500	28.57
Total ESEA	373,200	29.90	195,900	41.61
NDEA III	19,600	1.57	21,700	4.60
NDEA V-A	5,500	0.44	5,200	1.10
Vocational Ed.	50,800	4.07	26,900	5.71
Public Law 874	143,300	11.48	103,100	21.89
School Milk & Lunch	27,500	2.20	28,100	5.96
Other Federal	129,100	10.34	16,005	3.40
Total Federal	749,000	60.01	396,905	84.30

Source: The University of the State of New York. The State Education Department Bureau of Educational Research. Albany, New York.

TABLE III-7

Central City Proportions of State's Federal Aid
and Enrollment for 25 Largest Cities, 1967*

Cities	Enrollment	ESEA I Eligibles	ESEA I Funds	City Proportion of State's Federal Aid (less Title I)	City Proportion of State's Federal Aid (6 major programs)	Federal Aid (in 1,000's)
California						
Los Angeles	14.6%	20.6%	20.0%	6.7%	11.7%	$22,909
San Francisco	2.5	4.5	4.4	1.0	2.3	4,474
San Diego	2.8	3.1	3.0	0.8	1.7	3,235
Colorado						
Denver	19.4	29.1	26.0	15.1	18.5	5,079
Georgia						
Atlanta	10.5	6.9	5.7	8.7	7.0	4,375
Illinois						
Chicago	26.5	50.9	53.9	24.1	40.2	34,763
Louisiana						
New Orleans	13.0	11.7	15.0	15.2	15.1	6,775
Maryland						
Baltimore	24.3	50.8	49.7	21.6	38.3	9.357
Massachusetts						
Boston	8.7	26.1	24.6	4.5	14.6	4,928
Michigan						
Detroit	14.8	33.3	35.0	17.3	26.5	16,271
Minnesota						
Minneapolis	8.5	12.6	11.2	11.0	11.1	4,175
Missouri						
St. Louis	13.9	18.9	19.4	12.1	16.1	7,098
New York						
New York	33.3	63.8	61.4	23.2	48.7	82,932
Buffalo	2.3	4.5	4.3	2.8	3.8	6,543
Ohio						
Cleveland	8.2	14.3	14.7	6.6	10.3	7,818
Cincinnati	3.8	8.5	8.6	4.6	6.4	4,870
Pennsylvania						
Philadelphia	12.7	25.4	24.6	17.8	21.5	19,151
Pittsburgh	7.6	6.9	6.6	12.1	9.1	8,134
Tennessee						
Memphis	14.7	9.3	9.3	5.2	7.6	3,813
Texas						
Houston	10.9	5.2	5.1	4.2	4.7	6,168
Dallas	5.9	3.8	3.7	2.4	3.1	4,035
San Antonio	5.3	4.4	4.3	5.6	4.9	6,463
Washington						
Seattle	13.5	15.7	14.8	13.5	13.9	4,486
Wisconsin						
Milwaukee	13.3	18.4	17.8	13.2	15.4	4,725
Average (unweighted)	12.0	18.7	18.4	10.4	14.7**	

*Excluding District of Columbia
**ESEA I, II, III, NDEA III, Vocational Education, PL 874

TABLE III-8

Comparison of Federal Aid Per Pupil Received by School Districts
By Income Categories for Major Metropolitan Areas, 1967

School Districts	Los Angeles range median family income	Los Angeles federal aid	New York range median family income	New York federal aid	Houston range median family income	Houston federal aid	Detroit range median family income	Detroit federal aid	Boston range median family income	Boston federal aid
High	$12,000 8,600	$16	$17,500 10,500	$19	$8,900 7,200	$16	$14,700 8,700	$ 3	$9,400 9,000	$29
Moderately High	8,600 7,400	18	10,500 8,000	31	7,200 6,300	21	8,700 7,400	18	9,000 7,300	31
Moderately Low	7,400 6,400	26	8,000 6,500	32	6,300 5,000	19	7,400 6,600	12	7,300 6,300	39
Low	6,400 6,100	54	6,500 5,500	46	5,000 3,700	53	6,600 5,600	55	6,300 5,900	34
Central City	6,896	37	6,091	78	5,902	21	6,069	80	5,747	69

TABLE III-9

Federal Aid by Program for Five School Districts in New York Metropolitan Area, 1967
(average per pupil)

Districts	ESEA I	ESEA II	ESEA III	Federal Programs NDEA III	NDEA V-A	PL 874	Voc Ed	Lunch-Milk	Total Without ESEA I	Total
High Great Neck (14,451)	4.66	1.26	11.31	.32	.00	.00	.62	3.86	17.57	22.23
Moderately High Huntington (8,988)	22.60	2.40	2.22	1.45	.00	2.22	2.04	5.86	16.19	38.79
Moderately Low Hicksville (7,908)	1.62	2.33	.00	1.64	.36	3.41	.75	4.07	12.56	14.18
Low Bellport (6,237)	26.44	1.80	1.35	6.36	.70	29.23	.10	5.71	45.25	71.69
New York City (6,091)	67.78	1.78	1.59	1.05	.34	.00	.57	4.99	10.32	78.10

TABLE III-10

Comparison of Federal Aid Per Pupil Received by School Districts
Ranked by Valuation Categories for Major Metropolitan Areas

School Districts	Los Angeles range A.V.*	Los Angeles federal aid	New York range A.V.	New York federal aid	Houston range A.V.	Houston federal aid	Detroit range A.V.	Detroit federal aid	Boston range A.V.	Boston federal aid
High	$ 84700 38300	$ 19	$ 77800 52000	$ 38	$ 140700 79000	$ 23	$ 34700 23000	$ 40	$ 56400 36000	$ 33
Moderately High	38300 10000	23	52000 23000	33	79000 53500	26	23000 10000	14	36000 22500	41
Moderately Low	10000 5500	23	23000 14000	30	53500 16500	26	10000 8000	22	22500 18000	30
Low	5500 4600	27	14000 10500	29	16500 12000	21	8000 5200	16	18000 13500	30
Central City	16908	37	41141	78	37533	21	16665	80	14021	69

* Range of State Equalized Valuation

TABLE III-11

Districts with at Least 15% Non-white Students
By Income Quartiles

Districts by Income Category	% Non-white	Total Federal Aid of District	Average Federal Aid of Quartile*
Moderately High			
Greenburgh ($9700)	35%	$13	$31
New Rochelle ($8131)	16	51	31
Moderately Low			
Freeport ($7,915)	17	49	32
Hempstead ($7,455)	65	80	32
Mt. Vernon ($6,873)	39	68	32
Copiague ($6,479)	27	33	32
Low			
Bellport ($6,237)	16	73	46
Central City			
New York City ($6,091)	40	78	n.a.

*Quartiles taken from Table II-9

TABLE III-12

Revenues From Major Educational Aid Programs for New York State Central Cities, 1965-68
(average per pupil)

	New York	Buffalo	Rochester	Albany Schenectady Troy	Syracuse	Utica-Rome	Binghamton
1965	$ 7	$ 4	$ 5	$ 16	$ 5	$ 48	$ 5
1966	31	39	28	49	30	68	12
1967	79	79	110	44	64	89	32
1968	40	52	99	73	75	71	24

TABLE III-13

Comparative Data on the Allocation of ESEA Title I Funds
in New York State, 1966-69

Fiscal Year	Maximum Basic Grant	State Allocation	Pro-ration Factor	Average Net Current Expense	Pro-rated Per Pupil	Total Number of Poverty Eligibles
1966	$109,667,000	$109,667,000	1.00	$366	$366	299,962
1967	159,451,000	111,091,000	.70	393	274	405,584
1968	195,228,000	115,776,000	.59	417	247	468,629
1969	265,611,000	113,601,000	.43	468	200	567,706

Source: Statement presented by Irving Ratchick, Coordinator of Title I, ESEA, New York State Education Department to the House Education and Labor Committee, Washington, D.C. on H.R. 514 on March 6, 1969.

TABLE III-14

Revenue Sources by States, 1967

State	Total Fed. Aid	% of Total Revenue	State Aid	% of Total Revenue	Local Aid	% of Total Revenue	Total Revenue
California	$ 40	5.6%	$ 264	37.0%	$ 410	57.4%	$ 714
New York	34	3.4	501	50.4	459	46.2	994
Texas	50	10.0	224	44.8	226	45.2	500
Michigan	22	3.4	277	42.4	354	54.2	654
Massachusetts	39	5.9	123	18.6	501	75.6	663

APPENDIX A

A NOTE ON THE INFORMATION GAP IN EDUCATIONAL FINANCE

Chapter I noted critical gaps in information necessary for the formulation of educational finance policy. On some of the vital questions underlying federal educational policy, e.g., the level of expenditures of individual schools, comparative data of even minimal reliability simply do not exist. But, in regard to most of what we need to know, the reason for the "unavailability" of important information may be traced to two problems. First, data remain scattered among and within major federal agencies like United States Office of Education (USOE), the Office of Economic Opportunity (OEO), the Advisory Commission on Intergovernmental Realtions (ACIR), and the Census Bureau, as well as among state and local education agencies and the National Education Association. With current staffing patterns, USOE cannot assemble and integrate materials from these varied sources.

To illustrate: OEO has detailed information on Headstart expenditures, USOE does not; Census and ACIR have valuable information on aspects of state and local finances relevant to the need and capacity for educational support, USOE does not utilize it. Aggregate data on federal expenditures for the nation and for states as a whole are available. But they are not available, either by separate titles or in total, on a district-by-district basis, to say nothing

of separate schools within districts or of individual students. Yet to study the impact of federal aid to education, the researcher or policy maker must have figures more detailed than state-wide information. At present, he must deeply involve himself in the uneven and inconsistent record-keeping systems of the states themselves to obtain these data.

A second major reason for the absence of useful information is the lack of appropriate conceptual frameworks for examining questions of educational finance. The concept "federal aid to education" is currently interpreted by the National Center for Educational Statistics (USOE's major educational statistical bureau) to mean essentially "programs administered by USOE." Educational policy makers, therefore, often receive only the most gross of financial information related to programs like the Neighborhood Youth Corps, Operation Headstart, the Job Corps, and Manpower Development and Training.

Another problem of conceptualization relates to the penchant of schoolmen for isolating educational matters from all other areas of governance. In the world of the policy maker, however, education is but one of an infinite number of claimants for public support, and but one of a variety of services aimed at improving the quality of American life. Education, therefore, must be seen in relation to other factors for effective policy making. For example, financial need for state and federal aid in school districts

is related to the total package of services receiving support from local taxes; yet, collectors of educational data regularly ignore questions of municipal overburden.

The metropolitan context of the market for educational services is widely recognized by social scientists and administrators. Within metropolitan areas competitive salary levels are set and students compete for jobs after graduation. Yet educational statisticians neglect the importance of the concept of the SMSA as an interrelated regional area, and continue instead to generate county, state, and national data. Another factor important in establishing national policy is the social and economic nature of communities, but again income, ethnic, and economic data are seldom integrated with educational material.

These varied symptoms of statistical myopia are reflected in some very tangible ways. As independent local governments in most places in the nation, school districts frequently have boundaries that are not coterminous with other governmental jurisdictions. Since most data on taxes, expenditures, income, population, and ethnic composition are collected by general governments (municipalities and counties), they are not applicable directly to school districts. This lack of coterminality has proved a real inconvenience to those seeking to examine education in relation to other governmental activities and to the larger society. Even so, such inconvenience has been overcome by many careful researchers working

with census tracts and school district maps. With a less restricted view of educational relevance, however, such anachronisms long ago could have been eliminated by the nation's education agency. It is commendable that USOE has recently contracted with the Census Bureau for a limited mapping of school district boundaries in relation to general boundaries to overcome the coterminality problem. That USOE is just now facing this problem and with only a small sample is testimony to how far we still must go to provide a data base for educational policy making.

A start has now been made to break out of the inadequate procedures of data collection. Three years ago the National Center for Educational Statistics (NCES) began its Elementary and Secondary General Information Survey (ELSEGIS). A stratified sample of 1,400 school systems, later enlarged to 1,600, was directly surveyed to provide national totals on revenues, expenditures, and attendance.

The Belmont survey of the Bureau of Elementary and Secondary Education, and specifically its Consolidated Program Information Report (CPIR), will provide additional information by districts for program evaluation purposes, and will focus on many variables related to federal programs. That these efforts in their current stage of development can serve only imperfectly as a tool for analyzing major educational policy problems, especially urban problems, is not the point. What is important is that these new approaches are underway, and that they be supported, improved, and expanded.

The immensely valuable report of the USOE Advisory Committee for Educational Finance Statistics (the Kelly Committee), submitted to the U.S. Commissioner in March of 1970, catalogues USOE's information shortcomings in systematic detail. More important, it provides a series of proposals aimed at dramatically upgrading USOE's capability to provide useful material for national educational policy making. A summary of those proposals follows:

1. Organize USOE publications of school finance data around analytical common denominators relevant to significant public policy issues in American education.

2. Combine USOE data with local governmental data from the Census of Governments.

3. Solicit proposals for studies comparing ELSEGIS data with the 1970 census of population and housing when those data are available.

4. Expand ELSEGIS and other USOE survey data to include federal programs not administered by USOE.

5. Expand ELSEGIS sample to include samples within all SMSA's in which the largest 100 central cities are located.

6. Expand ELSEGIS (and Belmont Survey) sample to include all districts with more than, say, 5,000 pupils plus a random sample of school districts under that figure.

7. Collect data at the individual school and administrative unit level on educational programs, student population, personnel,

revenues, expenditures, and outputs for a random sample of schools in big cities.

8. Collect and publish state data on (1) an annual basis and (2) by federal title as well as by federal act.

9. Develop mechanisms to coordinate USOE data collection activities with those of other agencies of the federal government that are in a position to provide USOE with useful data.

However, the recommendations of the Kelly Committee are as yet simply proposals, a blueprint for the future. For the present, the need of policy makers and the interested public for information on the financial impact of federal aid to education remains unmet. This report is intended to satisfy significant aspects of that need by providing systematic baseline data on federal aid and the relationship of that aid to a series of important fiscal, economic, and demographic characteristics of local school districts. The report is also intended to present analytical models that can assist policy makers in evaluating current federal policies as well as in designing more effective programs. In keeping with these purposes, data are assembled which illuminate the financial effects of federal aid for local education agencies, with particular emphasis on those serving the cities and suburbs of metropolitan areas.

Our sample was comprised, as we have seen, of 573 school districts selected on a stratified-random basis from five representative though distinctive states: California, New York, Texas, Michigan and Massachusetts. Researchers assigned to respective state capitals

collected detailed financial data for each school district for the fiscal years 1965 to 1968 inclusive. While central to the study, this approach has two basic limitations. First, the sample data cannot be related readily to the financial data of overlying non-school governments because of the coterminality problem already discussed. Second, the samples contain only a limited number of the nation's largest central city school systems, systems which must be studied because of their large share of total pupil enrollment and, perhaps more importantly, because of all that we know about their threatened situation. In order to transcend these limitations, we have expanded our study to include an analysis of school finances and their relationship to other governmental expenditures in the nation's 37 largest metropolitan areas. The data on which this examination was based were obtained from published and unpublished Census Bureau sources acquired through the cooperative efforts of project researchers and personnel of ACIR.

The result of this combination of sources is a picture of the role of federal aid in the larger framework of local, state, and federal educational finance. On the one hand it is intensive in its focus on particular states, school systems, and metropolitan areas, and on the other hand it is extensive in its consideration of regional and national phenomena. Its analyses include comparisons of metropolitan with non-metropolitan areas, and central cities with suburban districts, and relationships between federal aid and income, race, property valuation, state aid, and locally-raised revenues. Data were examined both statically and over time.

We hope these elements of the study will contribute to closing the information gap in educational finance.

APPENDIX B

A NOTE ON METHODOLOGY

This study of the patterns of federal aid allocation has been conducted using a five-state sample (California, New York, Michigan, Massachusetts, and Texas) containing 573 school districts. This note will explain how and why we chose that sample.

In constructing the sample for this study, the basic choice that had to be made was between a nationally representative, cross-sectional selection of school districts or a sample which was representative of individual states. We decided upon the latter because it was more consistent with the major purposes of our research. Foremost among those were (1) a concern with governmental units that decide aid allocations going to school districts, i.e., states, and (2) an intent to see federal aid in relation to distinctive state-local systems of educational finance. In addition, serious methodological problems plague attempts to create a single national sample of school districts: for example, property valuations are not equalized to take into account the differences in assessment practices among states, and methods for counting enrollments vary from state to state. As a result, we have undertaken our analysis with a sample composed of separate subsamples of school districts in five states.

Selection of States

In selecting the five states to be studied, we sought a

group of states that would be broadly representative of the dominant trends in educational finance, particularly of the trends which affect metropolitan areas where more than two-thirds of the nation currently reside. The states from which our school system sample was drawn contain 31 percent of the nation's total population and of its public school enrollment through grade 12, and 39 percent of the country's metropolitan population and of its metropolitan public school enrollments through grade 12. In short, with a sample selected from only five states we encompass a substantial proportion of the nation's school population. Our selection was based on more than their sizable population. Specifically our criteria were: (1) region, (2) degree of urbanism, (3) social and economic characteristics, (4) arrangements for financing elementary and secondary education, and (5) patterns of school district organization.

Region

The choice of states provides substantial regional representativeness that includes the northeastern, north central, southern, and western states. All the examined states are within a different census regional division: California within the Pacific, New York the Middle Atlantic, Texas the West South Central, Michigan in the East North Central, and Massachusetts New England.

Degree of Urbanism

Each of the states whose school systems we studied exceeds

the other members of their respective census regional divisions in the proportion of their population classified as metropolitan. This skewing of the sample was adopted in order to provide a vehicle for understanding the relationship between federal aid and the nation's metropolitan trends. In selecting our samples within those states, however, we did include sufficient districts in all states except Massachusetts to permit us to make statements about the rural areas as well.

Social and Economic Characteristics

In regard to social and economic characteristics, the five states of our study differ considerably with respect to one another, but are representative of their respective regions.

Comparing the 1968 household incomes, we find that Texas, with $8,618 falls below the national average of $9,592, while all the others rank above. Michigan, with $10,899 is the most affluent; followed by New York, $10,662; Massachusetts, $10,545; and Californis $10,180. These average household incomes are significantly closer than those of any other state to the average income within their regional divisions.

The five states, though different in terms of household income,vary markedly in terms of the proportion of their black population. Massachusetts has 2.2 percent, California 5.6 percent, New York 8.4 percent, Michigan 9.2 percent, Texas 10.5 percent. These proportions deviate little from the appropriate regional division averages, except in the case of Texas which has a

considerably lower proportion of black population than do other states in its region. However, the inclusion of Texas permits us to include urban school systems that contain large populations of Chicano children. Concentrated in the southwest, these school systems are among the poorest in the nation and therefore must not be ignored.

The sample states also differ widely in population density. With 657 persons per square mile, Massachusetts ranks as one of the three most densely settled states in the nation. Conversely, Texas with only 36 persons per square mile rates as one of the most sparsely inhabited. Population densities of the other three states are New York 351, Michigan 138, and California 100. As with other characteristics, the densities figures for the sample states are similar to those of their respective regional divisions.

Arrangements for Financing Education

One of the key elements in understanding systems of educational finance, is the relative distribution of revenue responsibilities between the school district and the state government. Nationally, local governments raise approximately 52 percent of all revenues, the states 41 percent, and the federal government approximately 7 percent. Behind those national averages, however, is a wide range of diverse revenue responsibility. The states in our study reflect that diversity. In regard to the percent of revenues raised by local jurisdictions, Table III-14 (pp.66) shows that the states in our sample accurately reflect national diversity,

ranging from Massachusetts where 76 percent of revenues was raised locally to Texas where 45 percent was locally raised. State aid ranged from a low of 19 percent of total revenues in Massachusetts to a high of 50 percent in New York. In regard to federal aid, the states in the sample ranged from 3.4 percent to 10 percent. These states except Texas fell below the national average of better than 7 percent. In dollar amounts, our states varied from being among the highest in the nation to being somewhat below the average. Again our states appeared highly representative of the other states in their regional division.

Variety in state support programs was also evident. Massachusetts, Michigan, and New York, possess aid programs in which at least 80 percent of all grants is apportioned on an equalizing basis, i.e. in inverse relation to the relative fiscal ability of local school systems. In Texas slightly less than 60 percent of total aid is estimated to be equalizing, and in California, a flat grant state, it is only 33 percent. These figures, of course, do not begin to describe all the features and nuances of the various state aid systems, but they do give some idea of the strong differences which exist.

School District Organization

There is considerable variety in our sample with regard to the patterns of school district organization. All our states except Michigan possess some dependent school systems, and in Massachusetts, as in the other New England states, virtually every school system is a subdivision of a town-wide general purpose government.

California introduces a distinctive pattern. Entire school systems can be comprised of elementary grades or secondary grades or both. This arrangement complicates problems of studying educational finance, since there are considerable cost differentials in education of elementary and secondary school pupils. comparisons between districts with different grade levels of educational responsibilities must obviously be avoided.

In New York, Michigan, and Texas, a more typical pattern of school district organization exists. Common to them, as well as to the other states in the sample, a geographic pattern of district organization insures that there will be extensive social, economic, and fiscal disparities among districts in metropolitan areas. Effectively gerrymandered boundaries in all states permit privileged communities like Great Neck, Bloomfield Hills, and Alamo Heights to spend large sums on children with few educational problems while neighboring districts are able to spend relatively small amounts on students with fundamental impediments to learning.

Selection of School Districts

The process for selecting the districts within our sample was based upon the techniques of sample selection used in the USOE Elementary and Secondary General Information Survey. (Like the ELSEGIS sample, ours was chosen on a stratified, variable proportion random selection basis from the 1966-1967 Education Directory of the U. S. Department of Health, Education and Welfare.) The first step in constructing the sample was to establish for each of the five states the number of school systems falling within the following

size cohorts: (1) 25,000 and over; (2) 10,000 - 24,999; (3) 5,000-9,999; (4) 2,500 - 4,999 and (5) 300 - 2,499. School systems with less than 300 enrolled students were excluded entirely because they are located predominantly in two or three rural midwestern states.

The second step in establishing the representative cross section was to decide upon the proportion of school systems to be selected randomly from each enrollment cohort. The ratio settled upon was as follows: 1 to 1 for all school systems with 25,000 and over; 1 to 1 for all school systems with 10,000 to 24,999; 1 to 2.5 for all school systems 5,000 to 9,999; 1 to 4.5 for all school systems with 2,500 to 4,999 and 1 to 17.5 for all school systems with 300 - 2,500 pupil population. These proportions were increased considerably from those used in the ELSEGIS project in order to give emphasis to the large school systems generally found in major metropolitan communities.

To select the districts for each cohort, a table of random digits was employed and the appropriate number of sample systems was selected. The result of this process was to give us a high proportion of school districts within metropolitan areas: 85 percent in California, 72 percent in Massachusetts, 71 percent in New York, 65 percent in Michigan, 58 percent in Texas. In terms of the number of school systems, the sample contains 15 percent of the total in California, 14 percent in Massachusetts, 13 percent in New York, 10 percent in Michigan, and 9 percent in Texas. Because of its metropolitan school system orientation, however, this sample

represents 71 percent of the fall 1966 enrollment in California, 62 percent in Texas, 60 percent in New York, 52 percent in Michigan, and 45 percent in Massachusetts.

Collection of Data

Fiscal data was collected for each of the sample districts. Research assistants spent from three to six weeks in state capitals examining a variety of official sources that reported school district revenues and expenditures. In several cases we obtained copies of the state's own computer tape. In others data were copied from official publications. More than fifty categories of financial data were obtained for the 1965-1968 fiscal years (see Exhibit B-1).

Social and economic data were later assembled for each district. Since such data are collected on the basis of general government jurisdiction and census tracts, developing accurate data for school districts required that researchers overcome problems of noncoterminality by comparing school district maps with census tracts where possible and by assigning social and fiscal data to school districts on the basis of standardized assignment formulas where tracted maps were not available. A list of the social, economic, and fiscal variables follows.

The data for the five states in our study will be made available in two forms to researchers, public officials, and others interested in educational finance: (1) a 200 page statistical workbook containing summary comparative tables and (2) computer tapes for each of the five states. Only a minimal charge will be made. Please direct requests to Federal Aid Project, Policy Institute, 723 University Avenue, Syracuse, New York.

Phase I Fiscal Data Collection Instrument

The following data has been collected on each of the school districts in the project sample for the 1965, 1966, 1967 and 1968 fiscal years.

CARD NO. (COLS. 8-9) 01

		BALANCES ON HAND BEGINNING OF YEAR			REVENUE FROM LOCAL SOURCES			
IDENTIFICATION	DISTRICT NAME	FOR CURRENT OPERATIONS	BLDG RSRV & SERIAL BOND INTEREST & REDEMPTION	TOTAL BEGINNING OF YEAR BALANCES	TAXATION & APPROPRIA-TIONS	TUITION & TRANSP FEES FROM PATRONS	OTHER LOCAL REVENUE	TOTAL REVENUE FROM LOCAL SOURCES

CARD NO. (COLS. 8-9) 02

				REVENUE FROM FEDERAL SOURCES, BY PROGRAM					
IDENTIFICATION	DISTRICT NAME	REVENUE FROM INTERMEDIAT SOURCES	REVENUE FROM STATE SOURCES	ESEA TITLE 1	ESEA TITLE 2	ESEA TITLE 3	NDEA TITLE 3	NDEA TITLE 5-A	PUBLIC LAW 815

CARD NO. (COLS. 8-9) 03

		REVENUE FROM FEDERAL SOURCES, BY PROGRAM (cont.)							
IDENTIFICATION	DISTRICT NAME	PUBLIC LAW 874	HEAD START	FOLLOW THROUGH	VOCATIONAL EDUCATION	NAT'L SCHOL LUNCH & SPC .ILK PROGS (CASH ONLY)	ALL OTHER REVENUE FROM FEDERAL SOURCES	TOTAL REVNU FROM FEDERAL SOURCES	TOTAL NON-REVENUE RECEIPTS

CARD NO. (COLS. 8-9) 04

		CURRENT EXPENDITURES, SCHOOL YEAR 1964-1965							
IDENTIFICATION	DISTRICT NAME	INCOMING TRANSFERS	TOT OF ALL BALANCES REVENUES & TRANSFERS	ADMINS-TRATION	SALARIES OF PROFESIONAL STAFF	SALARIES OF NON-PROF STAFF	TOTAL SALARIES FOR INSTRUCTION	OTHER INSTRUCTNAL EXPEND-TURES	TOTAL EXPENDITURE FOR INSTRCN

CARD NO. (COLS. 8-9) 05

		CURRENT EXPENDITURES, SCHOOL YEAR 1964-1965 (cont.)							
IDENTIFICATION	DISTRICT NAME	ATTENDANCE SERVICES	HEALTH SERVICES	PUPIL TRANSPTATN SERVICES	OPERATION OF PLANT	MAINTENANCE OF PLANT	FIXED CHARGES	TOT ALLO-WABLE TO PUPIL EXPENDITURES	FOOD SERVICES

CARD NO. (COLS. 8-9) 06

		CUR EXPENDS, SCH-YR, 1965-6, (cont.)			CAPITAL OUTLAY			DEBT SRV FROM CUR FUNDS	
IDENTIFICATION	DISTRICT NAME	STUDENT BODY ACTIVITIES	COMM SRVCS, SUM SCHOLS, ADULT EDUC, & JR COLS	TOTAL CURRENT EXPENDITURE	SITES, NEW BLDGS, ADDITIONS, & IMPRVMNTS	NEW EQUIPMENT	TOTAL CAPITAL OUTLAY	PRINCIPAL OF DEBT	INTEREST ON DEBT

CARD NO. (COLS. 8-9) 07

		DEBT SERVICE FROM CURRENT FUNDS (cont.)							
IDENTIFICATION	DISTRICT NAME	AMOUNT PAID INTO SINKING FUND	PRINCIPL OF EXPENDS TO SCH HOUSING AUTHORITY	INTEREST ON EXPENDS TO SCH HOUSING AUTHORITY	OTHER DEBT SERVICES	TOT EXPENDS FOR DEBT SRVCS FROM CUR FUNDS	OUTGOING TRANSFERS	TOTAL EXPENDITURS	

CARD NO. (COLS. 8-9) 08

		ATNDANCE, SCH-YR 65-6	
IDENTIFICATION	DISTRICT NAME	AVERAGE DAILY ATTENDANCE	AVERAGE DAILY MEMBERSHIP

Social and Economic Data Available for All
School Districts in the Study

1960 nonworker-worker ratio*

1960 percentage of median family income under $3000*

1960 percentage of median family income over $10,000*

1960 percentage of population non-white*

1960 median family income*

1965 pupils per square mile of school district**

1965 state equalized full valuation per pupil**

State equalized tax rate expressed in mills**

1967 percentage non-white high school enrollments***

* Source: Bureau of the Census
** Source: Computed from appropriate state sources
*** Source: National Center for Educational Statistics, Directory